

# Storm Sewer Operating Fund

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**T***o provide for the acquisition, reconstruction, maintenance, and operation of the Storm Sewer system. Services provided through this fund are:*

- *Storm sewer maintenance and administration; and*
- *Storm sewer improvements*

# Storm Sewer Operating Fund

## Budget Summary

	2009-2010 Adopted	2010-2011 Adopted	Change
Storm Sewer Maint. and Admin.	\$ 22,970,852	\$ 25,382,573	10.5%
Storm Sewer Improvements	\$ 5,775,000	\$ 10,363,000	79.4%

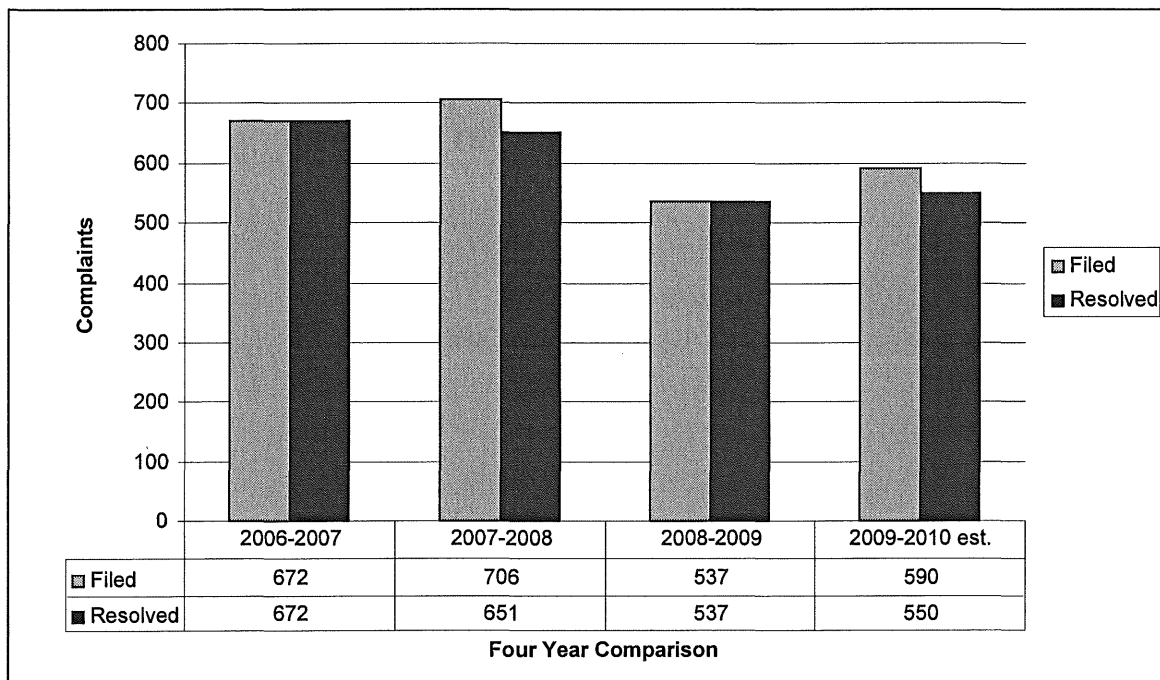
## Budget Highlights 2010-2011

□ Key activities approved for this fund in 2010-2011 include a phased investment in water quality programming in response to regulatory requirements and rehabilitation of pump stations. Expansions in water quality programming include initiatives to address the impacts of trash in creeks, water quality monitoring at stormwater pump stations, and increasing resident access to household hazardous waste collection services.

□ Funding for 2010-2011 is focused on the new Stormwater Permit, adopted October 14, 2009, that became effective December 1, 2009. Items needed to meet new requirements include the installation and construction of structural trash controls in the storm sewer system, a temporary position to lead the trash reduction effort, Integrated Pest Management demonstration projects, and storm pump station monitoring equipment.

## Budget Byte

### Urban Runoff Program Illicit Connection and Illegal Dumping Enforcement



# Storm Sewer Operating Fund

## Fund Overview

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**T**he Storm Sewer Operating Fund was established to improve the quality of the City's storm and surface water runoff and to meet the costs of the increasing federal, State, and regional regulatory requirements. Expenditures in the Storm Sewer Operating Fund support system maintenance, pollution control, administrative services, and capital improvements. In order to protect water quality in local streams and the south San Francisco Bay, the National Pollutant Discharge Elimination System (NPDES) stormwater permit requires the City to implement pollution prevention activities and controls to prevent pollutants from entering the storm sewer collection system and receiving waters.

The main source of revenue for the Storm Sewer Operating Fund are fees collected from residents and businesses. Rates are calculated based on the relative quality and quantity of storm water runoff contributed by residential, commercial, and industrial properties. Recent rate increases in the Storm Sewer Service Fee were approved by the City Council at 9% in 2007-2008 and 30% in both 2008-2009 and 2009-2010. These rate increases were needed to adequately fund the operation of the Storm Sewer System, to implement the new stormwater permit requirements, to realign expenditures that benefit the storm sewer system to the appropriate funding source, to ensure the quality of storm water runoff, and to fund necessary capital improvements in the City's storm sewer system. For 2010-2011, there will be no rate increase. The single-family residential rate will remain at \$7.64 per month. Long-range projections suggest further rate increases may be necessary due to projected additional costs for permit compliance and an aging storm sewer infrastructure that will require rehabilitation.

The Environmental Services, Public Works, and Transportation Departments are primarily responsible for maintenance and construction of the storm sewer system and pollution prevention activities. Other departments' activities, such as those of Planning, Building and Code Enforcement, General Services, and Parks, Recreation and Neighborhood Services are also affected by the stormwater permit requirements.

On October 14, 2009, the San Francisco Regional Water Quality Control Board (Water Board) adopted the Municipal Regional Stormwater NPDES Permit (Stormwater Permit) for the San Francisco Bay Region. The Stormwater Permit became effective December 1, 2009, and remains in effect through November 30, 2014. It replaces the separate county-wide municipal permits with one permit for all 76 Bay Area municipalities in an effort to standardize stormwater requirements throughout the region. The Stormwater Permit aims to protect local creeks and the Bay by reducing pollutants in, and eliminating non-stormwater discharges into, the municipal storm sewer system and local waterways.

The Stormwater Permit requires new and expanded programs to reduce pollutants discharged through the storm sewer system, such as mercury, pesticides, and trash; expanded implementation of treatment and flow controls on new development projects; expanded water quality monitoring and regional studies; and rigorous data collection and reporting to demonstrate compliance. To comply with the requirements, \$1.9 million in non-personal funding is included for installation and construction of structural trash controls in the storm sewer system and temporary support to lead this effort, Integrated Pest Management demonstration projects, storm pump station monitoring

# Storm Sewer Operating Fund

## Fund Overview (Cont'd.)

equipment, and Corporation Yard storage area protections. In addition to this, the Storm Sewer Operating Fund will assume additional costs associated with residential street sweeping, due to the direct benefit of this service to the storm sewer system.

The 2011-2015 Adopted Capital Improvement Program (CIP) focuses on storm system improvements, developing a multi-phase storm sewer master plan, and rehabilitating the City's storm pump stations. The 2010-2011 transfer to the Storm Sewer Capital Fund, originally estimated at \$3.0 million in the 2010-2014 Adopted CIP, was increased by \$7.4 million to \$10.4 million to continue to fund the storm pump station

rehabilitation and replacement program, and to provide additional funding for projects associated with the Alviso Storm Rehabilitation Program, Phase III of the Rincon Storm System Improvements, a Flow Monitoring Program, Summer/Dry Weather and First Flush Flow Diversion Pilot project(s), and a multi-phase master plan effort. These projects will install technology and infrastructure to improve and maximize the efficiency of the storm drain collection system, and reduce localized ponding in residential neighborhoods. The master plan effort will form the basis for the rehabilitation/replacement of existing drainage facilities, or the design of new drainage facilities, throughout the City.

## Fund Summary

	2008-2009 Actual 1	2009-2010 Adopted 2	2010-2011 Adopted 3	% Change (2 to 3)
<b>Dollars by Sources</b>				
Beginning Fund Balance	\$ 8,230,757	\$ 7,814,381	\$ 15,745,234	101.5%
Assessments	23,274,445	29,400,225	30,223,000	2.8%
Interest and Other	695,486	111,865	345,719	209.1%
<b>Total</b>	<b>\$ 32,200,688</b>	<b>\$ 37,326,471</b>	<b>\$ 46,313,953</b>	<b>24.1%</b>
<b>Dollars by Uses</b>				
Storm Sewer Maint. & Administration	\$ 16,855,758	\$ 22,970,852	\$ 25,382,573	10.5%
Storm Sewer Improvements	3,425,000	5,775,000	10,363,000	79.4%
Ending Fund Balance	11,919,930	8,580,619	10,568,380	23.2%
<b>Total</b>	<b>\$ 32,200,688</b>	<b>\$ 37,326,471</b>	<b>\$ 46,313,953</b>	<b>24.1%</b>

## Storm Sewer Operating Fund

Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Overview

The Storm Sewer Maintenance and Administration program costs include funding for Storm Sewer System Maintenance, Pollution Control, and Administrative Services. System Maintenance is performed by the Transportation, Public Works, and Environmental Services Departments. The Transportation and Public Works Departments repair damaged storm sewer pipes and maintain the system infrastructure, while the

Environmental Services Department is responsible for the overall stormwater program. The Pollution Control category includes the cost of efforts to ensure City compliance with the Stormwater Permit requirements. Administrative Services include support services provided by various City departments, overhead to the General Fund, fees charged by the County for collecting assessments, and loan repayments.

### Budget Category Summary

Storm Sewer Maintenance and Administration	2008-2009 Actual 1	2009-2010 Adopted 2	2010-2011 Adopted 3	% Change (2 to 3)
System Maintenance	\$ 3,477,637	\$ 3,440,196	\$ 6,523,888	89.6%
Pollution Control	9,528,724	14,436,401	14,940,678	3.5%
Administrative Services	3,849,397	5,094,255	3,918,007	(23.1%)
<b>Total</b>	<b>\$ 16,855,758</b>	<b>\$ 22,970,852</b>	<b>\$ 25,382,573</b>	<b>10.5%</b>

Three major factors impact the expenditures in this fund: 1) aggressive pollution control programs mandated by the City's Stormwater Permit; 2) the increasing age of the storm sewer system, which results in higher maintenance costs and a growing need for replacement and rehabilitation; and 3) the extent of the system's growth due to new development construction. The increase in pollution control costs in 2010-2011 is largely

driven by the need to reduce trash in creeks and to meet other new regulatory requirements of the Stormwater Permit. In Administrative Services, an increase in City Hall Debt Service costs reflects the costs for staff to relocate from the old Dr. Martin Luther King, Jr. Library to City Hall in October 2010. The increase is offset by a decrease in loan repayments to the Sewage Treatment Connection Fee Fund.

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary (Cont'd.)

The following changes are included in 2010-2011 for the System Maintenance, Pollution Control, and Administrative Services allocations:

Adopted Allocation	2009-2010 Adopted	2010-2011 Adopted	Change
System Maintenance	\$ 3,440,196	\$ 6,523,888	\$ 3,083,692

#### Base Adjustments

(One-time Prior Year Expenditures Deleted/Technical Adjustments to Costs of Ongoing Activities):

• DOT Non-Personal/Equipment	Reallocation of funding for debris hauling services	(\$36,082)
• Various Appropriations	Reallocations between the Pollution Control category and the System Maintenance category	\$2,595,327
• Public Works and DOT Personal Services	Salary/benefit changes and position reallocations	\$81,250
<b>Subtotal Base Adjustments</b>		<b>\$2,640,495</b>

#### Budget Proposals Approved

• DOT Personal Services	Pavement Resurfacing and Sealing	(\$67,662)
	Transportation Department Management and Professional Employees Total Compensation Reduction	(\$6,812)
	Traffic Safety Education Program Staffing	(\$13,728)
• DOT Non-Personal/Equipment	Utility and Maintenance Trucks	\$225,000
	Inlet Debris Removal Funding Reallocation	\$100,000
	Sewer Lines Repair Equipment	\$75,000
	Maybury Yard VoIP Upgrade	\$40,000
	Gold Street Storm Pump Station Improvements	\$20,000
	Vehicle Maintenance Staffing and Contractual Services	(\$17,101)
• IDC Contract	Reallocation of disposal contract costs related to sewer maintenance	\$51,000
• ESD Non-Personal/Equipment	Environmental Enforcement Data Systems Upgrade	\$37,500
<b>Subtotal Budget Proposals Approved</b>		<b>\$443,197</b>

<b>Subtotal System Maintenance</b>	<b>\$ 3,083,692</b>
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# Storm Sewer Operating Fund

**Budget Category: Storm Sewer Maintenance and Administration**

## **Budget Category Summary (Cont'd.)**

<b>Adopted Allocation</b>	<b>2009-2010 Adopted</b>	<b>2010-2011 Adopted</b>	<b>Change</b>
<b>Pollution Control</b>	<b>14,436,401</b>	<b>14,940,678</b>	<b>504,277</b>
<u>Base Adjustments</u> (One-time Prior Year Expenditures Deleted/Technical Adjustments to Costs of Ongoing Activities):			
• Various Appropriations	Reallocations between the Pollution Control and the System Maintenance category		(\$2,595,327)
• Various Appropriations	Reallocations between the Pollution Control and the Administrative Services category		(\$38,939)
• DOT Non-Personal/ Equipment	Reallocation of funding for debris hauling services		(\$16,961)
• Transfer to the General Fund – Old MLK Rent	Elimination of rental costs associated with the old Dr. Martin Luther King, Jr. Library building due to move to City Hall		(\$6,292)
• ESD, DOT, Finance, PBCE, PRNS and PW Personal Services	Salary/benefit changes and position reallocations		\$565,117
• ESD Non-Personal/ Equipment	Administrative funding reallocation partially offset by the elimination of Watershed Division office space lease funding		\$305,974
• PW Non-Personal/ Equipment	Public Works Capital Support Charges		\$21,133
<b>Subtotal Base Adjustments</b>			<b>(\$1,765,295)</b>
<u>Budget Proposals Approved</u>			
• DOT Personal Services	Residential street sealing and infrastructure maintenance staffing decrease and management salary and benefit concessions		(\$50,838)
• ESD Non-Personal/ Equipment	Structural Trash Controls and Creek Trash Prevention Program		\$1,600,000
	Hydromodification Plan Map Revisions		\$190,000
	Household Hazardous Waste Program		\$100,000
	Integrated Pest Management Projects		\$100,000
	Stormwater Pump Station Monitoring		\$50,000
	Corporation Yard Storage Area Protections		\$36,000
• ESD Personal Services	Trash Reduction Program Oversight		\$117,511
• DOT Non-Personal/ Equipment	Our City Forest Grant Match		\$120,000
	Vehicle Maintenance Staffing and Contractual Services		(\$17,101)
• IDC Contract	Reallocation of disposal contract costs for sewer maintenance		\$24,000
<b>Subtotal Budget Proposals Approved</b>			<b>\$2,269,572</b>
<b>Subtotal Pollution Control</b>		<b>\$</b>	<b>504,277</b>

# Storm Sewer Operating Fund

Budget Category: Storm Sewer Maintenance and Administration

## Budget Category Summary (Cont'd.)

Adopted Allocation	2009-2010 Adopted	2010-2011 Adopted	Change
Administrative Services	5,094,255	3,918,007	(1,176,248)

### Base Adjustments

(One-time Prior Year Expenditures Deleted/Technical Adjustments to Costs of Ongoing Activities):

• Overhead	Increase in Overhead contribution to the General Fund	\$301,908
• IT and HR	Salary/benefit changes and position reallocations	\$54,839
• Personal		
• Various	Reallocations between the System Maintenance category and the	\$38,939
• Appropriations	Pollution Control category	
• IT Non-Personal/ Equipment	Increases in hardware and maintenance contract costs including the Integrating Billing System (IBS) database	\$4,379
<b>Subtotal Base Adjustments</b>		<b>\$400,065</b>

### Budget Proposals Approved

• Loan Repayment	Elimination of funding for the repayment of a Loan to the Sewage Treatment Plant Connection Fee Fund	(1,800,000)
• Overhead	Decrease in Overhead paid to the General Fund	(\$78,559)
• Various	Various actions including management concessions, staffing	(\$65,736)
• Appropriations	level changes, and retiree healthcare cost changes	
• Transfer to the City Hall Debt Service	Increase in the transfer to the City Hall Debt Service Fund as a result of the move of the Watershed Division to City Hall	\$285,770
• City Staff Relocations from Old MLK	Costs for relocating the Watershed Division to City Hall	\$82,212
<b>Subtotal Budget Proposals Approved</b>		<b>(\$1,576,313)</b>

<b>Subtotal Administrative Services</b>			<b>\$ (1,176,248)</b>
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<b>Total Sewer Maintenance and Administration</b>	<b>\$ 22,970,852</b>	<b>\$ 25,382,573</b>	<b>\$ 2,411,721</b>
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# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Improvements

### Budget Category Overview

**T**he Storm Sewer Improvements program consists of capital projects to construct storm sewer systems that convey surface runoff in the City's Urban Service Area

to adjacent stream channels, to enhance existing storm sewer capacity, and to improve operations.

### Budget Category Summary

	2008-2009 Actual 1	2009-2010 Adopted 2	2010-2011 Adopted 3	% Change (2 to 3)
<b>Storm Sewer Improvements</b>				
Transfer to the Storm Sewer Capital Fund	\$ 3,425,000	\$ 5,775,000	\$ 10,363,000	79.4%
<b>Total</b>	<b>\$ 3,425,000</b>	<b>\$ 5,775,000</b>	<b>\$ 10,363,000</b>	<b>79.4%</b>

The following changes are included in the Transfer to the Storm Sewer Capital Fund allocation for 2010-2011:

Adopted Allocation	2009-2010 Adopted	2010-2011 Adopted	Change
Transfer to the Storm Sewer Capital Fund	\$ 5,775,000	\$10,363,000	\$ 4,588,000

#### Budget Proposal Approved

<ul style="list-style-type: none"><li>Transfer to the Storm Sewer Capital Fund</li></ul>	This transfer supports improvements to the existing storm sewer system. This increase funds a sixth year of storm pump station rehabilitation and replacements, to address localized ponding problems in residential neighborhoods, Summer/Dry Weather and First Flush Flow Diversion Pilot project(s) and a multi-phase Storm Sewer master plan.	\$4,588,000	
<b>Subtotal Budget Proposals Approved</b>		<b>\$4,588,000</b>	
<b>Total Storm Sewer Improvements</b>	<b>\$ 5,775,000</b>	<b>\$10,363,000</b>	<b>\$ 4,588,000</b>

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